



Mobile County

PUBLIC SCHOOLS

File includes the following documents:

Fixed Assets Policy

Fixed Assets

MCPSS administrative policy of Fixed Assets is to implement appropriate stewardship and accountability for all equipment, regardless of the method of acquisition or source of funding.

The Fixed Assets Department maintains a record of all assets owned by MCPSS as well as assets owned by the Federal Government, which are used by the school system. An item is considered to be a “Fixed Asset” if it falls into certain land, building, equipment or vehicle categories and if it meets certain cost and useful life criteria.

Every Fixed Asset is assigned an asset number and tagged with a bar code label with the asset number. These records are maintained in the district’s Fixed Asset System. The system includes the asset number, a description of the asset, serial and model number, its acquisition date and cost, location, and other information.

Criteria

To be considered a “Fixed Asset” and included in the MCPSS records, an item must meet the following criteria for cost and useful life:

1. Purchased items, at an acquisition cost of \$500 or more and a useful life of one year or more. (High Risk items costing \$200 - \$499.99)
2. New construction and renovation at a cost of \$50,000 or more.
3. Donations with an estimated or appraised market value of \$3,000 or more and a useful life of one year or more.

Items representing construction in progress are not considered complete until **all** bills associated with the construction/renovation are paid. Therefore they are not entered in the Fixed Asset System until the construction or renovation is complete. However, the total value is entered as a Fixed Asset upon completion of the project. The classification of a renovation as a Fixed Asset depends on the significance of the renovation to the structure.

Forms

Can be found on the website: www.mcpss.com

The screenshot shows the Mobile County Public Schools website. At the top, there is a navigation bar with links for Home, Schools, Divisions, Calendar, For Parents, About MCPSS, Staff Only, Search, and Contact. Below the navigation bar is a banner with the text "It Starts With Us". The main content area is titled "Forms" and contains a table of downloadable documents. On the right side, there is a "COLLAPSE MENU" with a list of various school district departments and services.

Forms	
Delegation of Site Staff Member for Fixed Assets	
Delegation of Site Staff Member for Fixed Assets	Download
Donated Items	
Donated Items	Download
GS1-P Property Incident Report	
GS1-P Property Incident Report	Download
GS-1PS Property Supplement	
GS-1PS Property Supplement Report	Download
New Additions to Add to Inventory	
New Additions to Add to Inventory	Download
Room Inventory	
Room Inventory	Download
Transfer / Pick-up Form	
Transfer / Pick-up Form	Download

DivisionID=2139&DepartmentID=1985&LMID=80896&ToggleSideNav=ShowAll

Definitions

Capital Assets are defined as non-expendable assets with a unit price of \$5,000.00 or greater.

1. It is tangible in nature
2. It has a useful life of more than one year.
3. It must be tracked for state or regulatory purposes

Examples: Buildings, Buses, Pressure steamers and Convection ovens

Non-Capitalized Assets are defined as any item of equipment with a unit price of \$500.00 to \$4999.99.

1. It is tangible in nature
2. It has a useful life of more than one year.
3. It must be tracked for state or regulatory purposes

Examples: iPads, Laptop, Computers, Lawn mowers and Milk coolers

High Risk Assets are defined as any item with a unit cost of \$200.00 to \$499.99, but is identified within the Fixed Asset System for purposes of tracking

Examples: TVs, Cameras, VCRs, Camcorders, Tablets, iPads and Power tools

Vehicles are defined as any item that must be licensed for road conveyances. Some 4-wheel carts cost over \$5,000.00 but are considered a piece of equipment and not a vehicle as they are not licensed road conveyances.

Examples: Cars, Trucks, Buses and Vans.

Buildings are any major structure with a cost of \$50,000.00 or greater.

Examples: School Buildings

Building Improvement Assets is defined as a major maintenance project on an existing building costing \$50,000.00 or greater.

Examples: Remodeling building components, Replacing heating/air conditioning units, Roofing and ceiling replacement, Kitchen equipment and Surveillance systems.

Land Asset is any real property.

Land Improvement Assets are any structure or upgrade to existing land. There are two categories of Land Improvements:

1. **Exhaustible land improvements** are site improvements that eventually deteriorate.
Examples: Driveways, Parking lots, Sidewalks, Fencing, Retaining walls, Replacing sod and greenery, Statues, Flagpoles, Signs, and Outdoor lighting.
2. **Inexhaustible land improvements** are site improvements that do not require maintenance or replacement and do not deteriorate with use or passage of time.

Examples: Tree removal, Land grading and Excavation.

Infrastructure Assets are long lived capital assets that normally can be preserved for a greater number of years than most capital assets that are normally stationary in nature. Examples: Roads, Bridges, Tunnels, Drainage system, Water systems and Dams

Capital Leases are all fixed assets that are being acquired under a lease purchase agreement. It has to meet one or more of the following criteria:

1. The lease term is greater than 75% of the property's estimated economic life
2. The lease contains an option to purchase the property for less than fair market value
3. Ownership of the property is transferred to the lessee at the end of the lease term
4. The present value of the lease payments exceeds 90% of the fair market value of the property.

Example: Copier lease, Building lease

Capitalization Level is the level at which Fixed Assets are reported for financial statement purposes.

- Machinery and Equipment \$ 5,000
- Buildings and Building Improvements \$50,000
- Improvements Other Than Buildings \$50,000

Construction in Progress is all building expenditures from Facilities under construction during the current year.

Inventory Process

How an inventory audit is conducted

The main purpose of the physical inventory audit is to update inventory list and to maintain an accurate and up-to-date list of all fixed assets.

- A site is selected for physical inventory,
- Once the site is selected, a Fixed Assets Personnel will notify site and schedule a date for inventory.
- The Fixed Assets Personnel will visit the site on the scheduled date.
- The Principal/Department Head will assign a staff member to assist the Fixed Assets Personnel to re-inventory.
- The pre-inventory report reflected in last year's inventory and current year additions, transfers and deletions will be used to verify all assets.
- The bar code tags of all assets at each location will be checked along with identification of the property, building and room. If a tag cannot be scanned due to damage, the serial number will be recorded.
- Fixed Assets personnel will enter any asset that is without a bar code label. The principal/department head will be required to provide a written account of all items on the pre-inventory list that is not found.
- All items need to be **accessible** and **visible** at the time of inventory. All rolling stock (vehicles, riding mowers, etc.) needs to be at a **designated location**. Any rolling stock in repair must have a written document of explanation.
- The Fixed Assets Department will notify the site administrator with the inventory results.

INTERMITTENT INVENTORIES

The Fixed Assets department is in charge of conducting the physical inventory. The designated site staff member will be provided an inventory list to authenticate, update and send a revised copy to the Fixed Assets department. The Fixed Assets personnel will update the system data file and will be periodically conduct a random physical inventory.

ROUTINE INVENTORY CONTROL

Schools/sites are accountable for keeping all equipment in their possession secure. Any changes of equipment status (such as theft, transfer, loss, destruction, etc.) should be recorded on the GS1-P and GS1-PS forms and sent to the Fixed Assets department immediately. Any newly acquired equipment (whether bought from system money, local

school funds, donations, etc.) needs to be added to the site inventory as soon as possible and a copy sent to the Fixed Assets department along with all corresponding paperwork.

TRANSFER/DISPOSAL/PICK-UP

Any disposals/transfers/pick-ups of fixed assets must be documented on the Fixed Assets Department **Transfer Pick-up Form**. This includes transfers between schools/sites, theft, loss, cannibalization, worn out, etc. Information requested on the form includes:

- asset number
- item description
- serial number
- reason for disposal / transfer / pick-up

If the item is to be transferred to another location, **be sure to include the school/site destination.**

The following special instructions also apply:

1. Transfers outside the school system are prohibited.
2. All sales of assets must be processed through the fixed assets procedure.
3. All thefts, items damaged by vandalism, catastrophic loss or any missing items must be reported to the Security Department.

Audit Requirements

In an annual audit, there are three major areas of information that must be produced:

1. Additions to Inventory
The identification of purchased assets such as Land, Land Improvement, Buildings, Building Improvements, Equipment, Vehicle and Donated equipment.
2. Deletions from Inventory
The reasons for disposals are trade-in, cannibalized, sold, stolen, missing and damaged.
3. Reclassifications

The reasons for reclassifications are transfers and class changes

Responsibilities

THE FIXED ASSETS DEPARTMENT IS RESPONSIBLE FOR:

- Scheduling and coordinating the physical inventory.
- Supervising and conducting a thorough inventory in accordance with **MCPSS** procedures.
- Reconciling any exceptions, such that the results provide a complete accounting of all Capital and Inventory Assets in the **MCPSS** system.
- Documenting inventory results and forwarding a written report to the Business office indicating completion and any exceptions
- Maintaining District Assets and Inventory System.
- Working with Distribution Services to coordinate Auction / Salvage Sales.

PRINCIPAL / DEPARTMENT HEAD RESPONSIBILITIES ARE AS FOLLOWS:

- Assign responsible individuals to assist the Fixed Assets Department in taking the actual inventory and complete the **Delegation of Site Staff Member Form**, and return to Fixed Assets. These individuals should know inventory procedures and have knowledge of the location of all asset items. They are also responsible for the reconciliation of the Fixed Asset inventory in his/her school/department. A **Room Inventory Form** can be used for this.
- If an item is missing or cannot otherwise be accounted for, the Principal/Department Head is responsible for having a copy of the appropriate **GS1-P** and **GS-1PS** forms on file, which should have been forwarded to the Security Department. A copy of the forms listing lost, stolen, or vandalized item, must be attached.
- If the item was already picked up or transferred then the Principal/Department Head is responsible for having a copy of the **Transfer/ Pick up Form** on file which; should have been forwarded to the Distribution Services. A copy of the form must be attached.
- Items that are on site that needs to be tagged and labeled or do not appear on the inventory printout should be noted on the **New Additions To Add To Inventory Form** with the following information:
 - a copy of purchase order
 - invoice with correct price
 - item description
 - serial number and/ or model number
 - acquisition date
 - PO number
- Principal / Department Head must maintain the latest site inventory on file at all times.
- An inventory check should be done every year and results should be sent to the Fixed Assets department. This is separate from an inventory audit which is done by the Fixed Assets department.

TRANSPORTATION DEPARTMENT IS RESPONSIBLE FOR:

Maintaining current transportation assets. Upon receipt of any licensed vehicle, the designated transportation staff member will notify the Fixed Assets Department so an asset number can be assigned. The following information will be needed.

- Copy of purchase order
- Vehicle identification number
- Assigned vehicle number

Procedures

WHO TAGS

Fixed Assets Personnel, Site staff Personnel, Principals, and Cafeteria Manager

Some assets are tagged by vendors before being shipped to the schools

- Arey Jones
- Information Transport Solutions
- Dees Paper Company

WHERE TO TAG

Personal Property: The items will be tagged on the front, top, side or back.

Classroom/ Administration Equipment:

- TV's, Projectors and Cameras – back right corner
- Computers – back right corner
- Laptops – Back
- iPads - Back

Operating and Maintenance Equipment:

- Generators, Table & Radial Arm Saws, Vacuum Cleaner, and Floor Buffers – by manufacturer's ID plate
- Welding machine - by manufacturer's ID plate
- Drill Press, Band Saws – by manufacturer's ID plate

Kitchen Equipment (Appliances):

- Mixers and Choppers – by manufacturer's ID plate
- Ranges – upper right corner
- Ovens – upper right corner
- Food Warmers and Dishwashers – by manufacturer's ID plate or upper right corner
- Meat Slicer – by manufacturer's ID plate
- Refrigerators – by manufacturer's ID plate

Vehicles: Asset number is the assigned vehicle/bus number ie 2012-30

- School Bus – above the sun visor by the VIN #
- Pick-up Truck – passenger side door jam
- Cargo Van - passenger side door jam
- Passenger Van - passenger side door jam

- Farm Equipment - by manufacturer's ID plate
- Large delivery Truck - passenger side door jam

Real Property: These assets will be excluded from bar code tagging and will be replaced with the Facility Transmittal Documentation. However an asset number will be assigned but not physically attached.

Buildings: Asset number will be assigned but not physically attached.

Land: Asset number will be assigned but not physically attached.

Example of Bar Code Tag:



Donated Assets

When an item is donated, proof of title transfer and original cost is needed. If proof of cost is not available, the Purchasing Department will establish a value from their referenced sources. A **Donated Items Form** should be filled out and the following information needs to be made available to include in Fixed Asset records.

- description of donated item
- quantity
- year, make and model
- serial/vin number
- acquisition cost
- condition
- donor's name and address
- proof of ownership

The accounting for the donation will be made at the District level on behalf of your School or the Board. All donated items become the property of the Mobile County Public School System.

Leased and Rented Guidelines

Under the terms of a lease of materials, equipment, supplies, or other personal property where the lessee becomes contractually bound under the terms of the lease, may be purchased on behalf of the county board of education. The purchase of said item at that time will be given an asset number.

The following information is required for reporting and must be provided by the leasing or lease - managing department.

- Acquisition date
- Total lease cost
- Lease payment amount
- Period between lease payments (ie 1 month, 1 year)
- Lease amount outstanding
- Lease completion date

Auction/Salvage Sale

Auction/ Salvage sales are developed from items picked up by Distribution Services personnel from school/ department that have been determined by the administration:

- Old/ worn out
- Broken/ non- repairable

AUCTION/ SALVAGE SALE PROCESS

- School/ Department sends a Transfer/ Pick up form request form to Distribution Services (see attached form at the back of the booklet).
- Items are scheduled for pick up by Distribution Services
- Salvaged items are delivered to a designated location and stored there until an Auction Sale is scheduled
- Once items are delivered to the designated area, they are to remain idle, inventoried and secured for preparation of sale. An auction/ sale disposal listing is developed and forwarded to purchasing. Purchasing will advertise or coordinate the available items for public sales. Once items are sold, Fixed Assets will coordinate with the appropriate personnel for proper handling of transfer and funding reimbursement and disposal of asset from the fixed asset inventory system.

Federal Funds Guidelines

Records must be maintained that include a description of the property number, serial number, fund source, purchase order number, class, acquisition date, cost and location.

REAL PROPERTY

1. **TITLE:** Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant will vest upon acquisition in the grantee or sub grantee.
2. **USE:** Except as otherwise provided for by federal statutes real property will be used for the original authorized purpose long as needed for that purpose. Also, the grantee or sub grantee shall not dispose of or encumber the title or other interests.
3. **DISPOSITION:** When real property is no longer needed for the originally authorized purpose, the grantee or sub grantee will request disposition instructions from the awarding agency.
4. **RETENTION OF TITLE:** Grantee retains title after compensating the awarding agency.
5. **SALE OF PROPERTY:** Sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.
6. **TRANSFER OF TITLE:** Transfer to the awarding agency or third party designated / approved by the awarding agency.

EQUIPMENT

Equipment with a unit price of \$5,000 and above are identified as capital assets. Equipment with a unit price less than \$5,000 are identified as non-capitalized assets. High risks assets are between \$200 and \$499

- Equipment shall be used by the grantee or sub grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.
- Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

Useful Life Table

Estimated Useful Life of Various Assets		
Asset	Examples	Useful Life in years
Land		Not Depreciable
Land Improvements:		
Inexhaustible	excavation, grading, tree removal	Not Depreciable
Exhaustible	parking lots, landscaping, fencing, sidewalks, walls and driveways	20
Construction in progress		Not Depreciable
School buildings	permanent classrooms, auditoriums, gyms	50
Portable classrooms		25
Building improvements:		
HVAC systems		20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical		30
Plumbing		30
Fire systems		25
Outdoor equipment	playground equipment, fuel tanks and pumps	20
Machinery and tools	shop and maintenance tools and equipment	15
Appliances/ Home economics		10
Food services equipment		15
Custodial equipment	floor scrubbers and polishers, vacuum cleaners	15
Science equipment	lab equipment, microscopes	10
Furniture and accessories	classroom and office furniture	20
Business machines	duplicating and printing equipment	10
Copiers		5
Communications	non computerized communication equipment	10
Lap Top computers		7
Desktop computers		7
Computer hardware	printers, servers, network hardware	5
Computer software	instructional software	5-10
Computer software	administrative software	10-20

Useful Life Table (Continued)

Asset	Examples	Useful Life in years
Audio/visual	projectors, cameras, smart boards	10
Athletic equipment	weight machines, gymnastics equipment	10
Musical instruments	pianos, percussions, brass, string instruments	10
Library books		5-7
Buses		10
Licensed vehicles	administrative and maintenance vehicles	8
Contractor Equipment	front end loaders, mobile air compressors	10
Grounds/ agricultural equipment	tractors, mowers	15
Health/Instructional		10
Multifunction machines		10
Print shop		15-20

Clerk – General Ledger Look Up

1. When asked, I run a purchase order query from the NextGen Budgetary Accounting Menu, indexing on all capital items that are fixed assets, look up the check number for each item found, pull the copy of the check from Accounts Payables' file, and make a copy of the invoice containing the serial number of the item(s).
2. Once this information is collected, pull up the excel folder (on the F: drive) titled 'Fixed Asset' open the file titled 'Fixed Asset Inventory Transactions Sheet' and fill in the form using the information gathered from step 1. The 'Asset Number' will be filled in by the Fixed Asset department once the information is given to him for review.
3. When asked, I dispose of an asset in the NextGen system by going to the Fixed Asset Menu in NextGen, clicking on the Asset Disposal tab and fill in the information of the asset to be disposed of due to the separation of the asset from the MCPSS' inventory.

Fixed Assets Accounting Codes

490-499 Non-Capitalized Equipment Costing LESS than \$5,000 *EFFECTIVE 10/01/2003*

- 491 Non-Capitalized Instructional Equipment
- 492 Non-Capitalized Furniture and Fixtures
- 493 Non-Capitalized Non-Instructional Equipment
- 494 Non-Capitalized Audio/Video
- 495 Non-Capitalized Computer Hardware
- 496 Non-Capitalized Library/Media
- 497 Non-Capitalized Laboratory
- 498 Non-Capitalized Athletics and Physical Education
- 499 Other Non-Capitalized Equipment

500-599 CAPITAL OUTLAY

510-519 Real Property Costing MORE than \$50,000 (Use Only in Function 7000 range)

- 511 Land
- 512 Land Improvement
- 513 Buildings-Purchased
- 514 Buildings-Constructed
- 515 Building Improvements
- 519 Other Real Property

520-589 Personal Property Costing MORE than \$5,000

520-529 Machinery-Complex Systems

530-539 Vehicles

- 531 School Buses
- 532* Service Vehicles
- 533* Automobiles
- 539* Other Vehicles

540-589 Equipment

- 541** Furniture and Fixtures
- 542** Audio/Video
- 543** Laboratory
- 544** Library/Media
- 545** Computer Hardware

- 547** Athletic & Physical Education
- 548** Tractors/Mowers
- 549 Traffic Control Devices
- 589** Other Equipment

590-599 Other Capital Outlay

700-704 Buildings & Land Improvements Less Than \$50,000

- 701 Buildings – Constructed, Less Than \$50,000
- 702 Buildings – Purchased, Less Than \$50,000
- 703 Exhaustible Land Improvements Costing Less Than \$50,000
- 704 Building Improvements Costing Less Than \$50,000